

MEMORANDUM

TO: **Regional Policy and Municipal Infrastructure Committee**

FROM: **Jennifer Wichmann, Director of Management Resources**
Nora Coronado, Project Coordinator

SUBJECT: **2014 State Legislative Consultant Contract Evaluation**

DATE: **January 20, 2015**

The City has contracted with HillCo Partners since FY2007 for representation at the state level. In August of 2010, after a request for qualifications was issued, a new contract was signed for a term ending September 30, 2012, with a two-year renewal option. Upon expiration of the initial term, the City renewed the contract and extended it until September 30, 2014.

In May of 2014, the City issued another request for qualifications. Based on evaluation results, the City Council selected and approved a new contract with HillCo. The initial term for this contract is for two years, from October 2014 through September 2016, with a two-year renewal option. The City will pay \$7,500 per month while the Legislature is in Session or a Special Session which is related to the City and its interests, and \$6,500 per month for the remainder of the months. These are the same rates as with the previous contract.

The State Legislature meets for five months every other year and while in session, City staff works closely with HillCo and the Texas Municipal League to ensure that the City's interests are protected and its initiatives are advanced. When the Legislature is not in session, interim committees work to study key issues and develop recommendations for legislative changes in the upcoming Legislative Session. Additionally, the time between sessions is used by state agencies to create rules related to the legislation which has been passed by the Legislature. In 2014, monitoring and addressing proposed rules and commenting on various studies in preparation for the 84th Texas Legislature in 2015 was the primary focus.

Throughout 2014, HillCo fulfilled its contractual obligations including weekly updates and regular communications with staff. They also provided expertise and logistical assistance to City staff in submitting comments and testimony on a variety of legislative issues. An evaluation of the work assisted by HillCo is contained within this document. Appendix A highlights actions taken and results for various legislative issues. Appendix B includes a brief preview of anticipated issues for the coming year.

Appendix A
State Lobbyist Report Card

Legislative Issue	Actions Taken/Results
Major Events Trust Fund/ Events Trust Fund	<p>In 2013 during the 83rd session, legislation was passed to expand the METF to include the NCAA football playoff games. In addition, another bill was passed related to the eligibility, disbursement and reporting requirements of METF/ETF trust funds. With the assistance of HillCo, the City provided substantive and constructive feedback on that legislation. The trust fund rules proposed and promulgated during the interim incorporated the provisions that were included in the legislation.</p> <p>Also in 2014, legislative committees studied economic development tools, including the METF/ETF. The City provided testimony in support of the METF/ETF at two public hearings conducted.</p>
Public Safety Initiatives	<p>During the 2013 legislative session, a bill was passed that imposed restrictions on law enforcement agencies on the use of unmanned aircraft systems and requires biennial reporting to the Legislature. In writing the rules for this bill, the Texas Department of Public Safety sought public comment. The City responded with recommendations for the reporting requirement; however, the recommendations were not adopted into the final rule.</p>

During 2014, HillCo analyzed proposed changes, deletions, or additions to all state agency regulations that can affect the City in order to ensure that staff is aware of the opportunity to provide comments on any proposals. They included:

- The Texas Commission on Law Enforcement related to personnel appointments and separations, certifications, administrative penalties, and more.
- The Texas Commission on Fire Protection to amend regulations related to firefighter certifications, education, and discipline.
- The Texas Railroad Commission to reduce the ability of the City to protect gas ratepayers from increased rates.
- The Public Utility Commission to limit the City in participating in electric rates regulation.

Appendix B

Preview for 2015

Appropriations

According to the State Comptroller's Office, the state can expect to have \$113 Billion in funds available for general-purpose spending. This represents 2016-17 total revenue collections of \$110.4 Billion in General Revenue-related funds, plus \$7.5 Billion in balances from 2014-15, less \$5 Billion reserved for 2016-17 transfers to the Economic Stabilization Fund (ESF) and the State Highway Fund.

Absent any appropriations by the Legislature, the ESF balance is expected to be \$11.1 billion at the end of the 2016-17 biennium, below the ESF constitutional limit of an estimated \$16.1 billion.

Because cities receive very little funding from the State, this is expected to have little direct impact. However, additional funding available to state legislators may remove some of the risk to cities for additional unfunded mandates.

Legislation related to the City's Agenda

During the 84th Session, HillCo will be assisting the City to pass and support legislation outlined in the City's agenda, including bills related to:

- Authorizing the City Council to appoint the Viridian Municipal Management District.
- Authorizing the City Council to consider and approve creation of a Tourism Public Improvement District.
- Authorizing law enforcement agencies to conduct sobriety checkpoints and requiring ignition interlocks for first-time offenders to reduce drunk driving crashes and deaths.

However, HillCo and the City anticipate focusing efforts mostly on defending against harmful legislation. Such legislation includes bills related to revenue and appraisal caps as well as oil and gas regulation, both priority issues for the City. Bills that would preempt cities' authority to raise revenue and regulate gas well drilling will be particularly challenging in 2015. Reducing taxes is a top issue for the newly elected Senate leadership and limiting cities' abilities to do so is the primary approach. In addition, current lawsuits filed by the oil and gas industry to limit the ability of cities to regulate operations have led to filing of bills that would effectively disallow regulation by local governments.